



The stipulation for continuance is approved. However Highland Capital shall file any response at least fifteen days before the hearing. Any reply shall be filed at least five days before the hearing.

Entered on Docket  
August 25, 2006

Hon. Linda B. Riegler  
United States Bankruptcy Judge

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Counsel for the Official Committee Of  
Equity Security Holders Of USA Capital First Trust Deed Fund, LLC

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re:  
USA COMMERCIAL MORTGAGE COMPANY,  
Debtor.

BK-S-06-10725-LBR  
Chapter 11

In re:  
USA CAPITAL REALTY ADVISORS, LLC,  
Debtor.

BK-S-06-10726-LBR  
Chapter 11

In re:  
USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
Debtor.

BK-S-06-10727-LBR  
Chapter 11

In re:  
USA CAPITAL FIRST TRUST DEED FUND, LLC,  
Debtor.

BK-S-06-10728-LBR  
Chapter 11

In re:  
USA SECURITIES, LLC,  
Debtor.

BK-S-06-10729-LBR  
Chapter 11

**Affects**

- ☐ All Debtors  
☐ USA Commercial Mortgage Co.  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed  
☒ USA First Trust Deed Fund, LLC

**STIPULATION AND ORDER CONTINUING HEARING ON OBJECTION OF THE  
OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS OF USA CAPITAL  
FIRST TRUST DEED FUND, LLC TO PROOF OF CLAIM FILED BY PROSPECT  
HIGH INCOME FUND, ML CBOIV (CAYMAN) LTD, PAMCO CAYMAN, LTD., PAM  
CAPITAL FUNDING, L.P., HIGHLAND CRUSADER FUND, LTD., AND PCMG  
TRADING PARTNERS XXIII, L.P. (AFFECTS DEBTOR USA CAPITAL FIRST TRUST  
DEED FUND, LLC)**

IT IS HEREBY STIPULATED and AGREED by and between the Official  
Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC (the "FTD  
Fund Committee") by and through its attorneys Stutman, Treister & Glatt P.C. and Shea &  
Carlyon, Ltd., and Prospect High Income Fund, ML BCOIV (Cayman) Ltd., Pamco Cayman,  
Ltd., Pam Capital Funding, L.P., Highland Crusader Fund, Ltd., and PCMG Trading Partners  
XXIII, L.P. (collectively, "Highland Capital") by and through their attorneys Rawlings, Olson,  
Cannon, Gormley & Desruisseaux, as follows:

WHEREAS on June 7, 2006, Highland Capital filed a proof of claim (the  
"Highland Capital Claim") asserting a \$20 million general unsecured claim against USA Capital  
First Trust Deed Fund, LLC (the "FTD Fund"), which claim is claim number 16 on the FTD  
Fund claims register;

WHEREAS on August 1, 2006, the FTD Fund Committee filed an objection to  
the Highland Capital Claim (the "Highland Capital Claim Objection") [docket no. 1068] on the  
grounds that the Highland Capital Claim is based on a lawsuit against USA Capital Diversified  
Trust Deed Fund, LLC, and that, accordingly, the FTD Fund has no liability on account of such  
claim;

WHEREAS the FTD Fund Committee properly noticed the hearing on the  
Highland Capital Claim Objection for August 31, 2006 at 9:30 a.m;

WHEREAS the FTD Fund Committee and Highland Capital have agreed to  
continue the hearing on the Highland Capital Claim Objection to allow the parties more time to  
investigate the Highland Capital Claim;

NOW, THEREFORE, the FTD Fund Committee and Highland Capital hereby  
stipulate and agree as follows:

1                   1.     The hearing on the Highland Capital Claim Objection shall be continued  
2 for approximately sixty (60) days to the omnibus hearing date scheduled for October 30, 2006 at  
3 9:30 a.m.

4                   2.     Pursuant to Rule 3007(b) of the Local Rules of Bankruptcy Practice, the  
5 deadline for Highland Capital to respond to the Highland Capital Claim Objection shall be 5  
6 business days before the hearing on the Highland Capital Claim Objection.

7  
8 Dated this 23<sup>rd</sup> day of August, 2006.

9  
10 By: 

11 FRANK A. MEROLA (CA State Bar No. 136934),  
12 EVE H. KARASIK (CA State Bar No. 155356), and  
13 ANDREW M. PARLEN (CA State Bar No. 230429), Members of  
14 STUTMAN, TREISTER & GLATT, P.C.  
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18 and

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23 Telephone: (702) 471-7432  
24 COUNSEL FOR THE  
25 OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS  
26 OF USA CAPITAL FIRST TRUST DEED FUND, LLC

27 By: \_\_\_\_\_

28 CICI CUNNINGHAM (\_\_\_\_\_)  
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COUNSEL FOR PROSPECT HIGH INCOME FUND,  
ML CBO IV (CAYMAN), LTD., PAMCO CAYMAN, LTD.,  
PAM CAPITAL FUNDING, L.P., HIGHLAND CRUSADER FUND, LTD.,  
AND PCMG TRADING PARTNERS XXIII, L.P.

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10 By: \_\_\_\_\_

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25 OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS  
26 OF USA CAPITAL FIRST TRUST DEED FUND, LLC

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35 PAM CAPITAL FUNDING, L.P., HIGHLAND CRUSADER FUND, LTD.,  
36 AND PCMG TRADING PARTNERS XXIII, L.P.

1 Approved/Disapproved by:  
2 OFFICE OF THE U.S. TRUSTEE


3 By:   
4 August B. Landis

5  
6  
7 **ORDER**

8 IT IS SO ORDERED.

9 PREPARED AND SUBMITTED by:

10 STUTMAN, TREISTER & GLATT, P.C. and  
11 SHEA & CARLYON, LTD.

12   
13 By: Christine M. Pajak, Esq.  
14 Shlomo S. Sherman, Esq.  
15 Attorneys for the Official Committee of  
16 Equity Security Holders of USA Capital First  
17 Trust Deed Fund, LLC  
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